REPORT RESUMES

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STANDARD PRACTICE INSTRUCTIONS, PROCEDURES AND RECORD KEEPING AT THE VOCATIONAL-TECHNICAL SCHOOLS RELATIVE TO PRODUCTION WORK ACTIVITIES.

CONNECTICUT STATE DEPT. OF EDUCATION, HARTFORD
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TRAINING ON "REAL JOBS" HAS LONG BEEN AN ESTABLISHED POLICY OF THE CONNECTICUT VOCATIONAL-TECHNICAL SCHOOLS. JUSTIFICATION FOR SCHOOL PARTICIPATION IN THE FIELD OF ACTUAL COMMERCIAL WORK IS THAT SUCH WORK IS NECESSARY FOR VALID AND COMPLETE TRAINING OF THE STUDENT. REAL JOBS MUST BE RECOGNIZED FOR WHAT THEY ARE, IMPORTANT MEDIA OF TRAINING, NOT MEANS OF PRODUCING ARTICLES OR SERVICES FOR SALE. THIS MANUAL PROVIDES A POLICY FRAMEWORK WITHIN WHICH REAL WORK EXPERIENCES AS AN ELEMENT OF INSTRUCTION MAY BE ORGANIZED AND MAINTAINED TO BEST ADVANTAGE IN THE VOCATIONAL-TECHNICAL SCHOOLS. POLICIES ARE GIVEN FOR (1) ASPECTS RELATING TO THE PUBLIC INTEREST, (2) GENERAL PROVISIONS FOR PRODUCTION WORK AUTHORIZATION, (3) CONTRACT IMPLICATIONS AND RESPONSIBILITIES, AND (4) CLASSIFICATION OF CHANGES AND DISCOUNTS. THE MANUAL ALSO PRESENTS A SPECIFIC UNIFIED RECORDING AND ACCOUNTING SYSTEM WHICH MUST BE FOLLOWED IN PREPARING ESTIMATES, QUOTING PRICES, PROCESSING, AND COMPLETING ALL PRODUCTION WORK IN VOCATIONAL-TECHNICAL SCHOOLS. THIS SYSTEM REQUIRES THAT SUCH RECORDS BE MAINTAINED BY THE SCHOOLS AS NECESSARY TO CONVEY PRESCRIBED INFORMATION TO THE DIVISION OF VOCATIONAL EDUCATION AND TO THE OFFICE OF DEPARTMENTAL ADMINISTRATION. A TABLE OF FORMS INDICATING THE NECESSARY NUMBER OF COPIES TO BE SENT TO THE VARIOUS OFFICES AND AGENCIES AND A DETAILED SUBJECT INDEX ARE INCLUDED. (HC)

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STATE DEPARTMENT OF EDUCATION

BULLETIN NO. 11

STANDARD PRACTICE INSTRUCTIONS

Procedures and Record Keeping at the Vocational - Technical Schools Relative to Production Work Activities

Effective Date of Revision July 1, 1963

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STATE OF CONNECTICUT

STATE DEPARTMENT OF EDUCATION

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			Off. of Dept. Admin.	Comptroller	Cust.	Dept. Admin. (Add'l)	School Office	Sch. (Add'l)	Instr.	School	Following Page No.
VT15	Postindex Stock Record Card	1								x	47
VT70	Application for Credit Rating	3	x				x	x			22
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VT78	Plant Order	5	x	x		x	x		x*		27
VT82	Stock Requisition	2					x		x*		32
VT83	6.8 Stock Record Card	1								x	47

* The instructor's (green) copy of each of these forms is permanently bound and must remain in the pad.

FOREWORD

Legal Basis of the Vocational Industrial Fund
in connection with
Operations of the Connecticut Vocational-Technical Schools

Training on "real jobs" has long been an established policy of the Connecticut Vocational-Technical Schools, particularly in the operative or skill phases of instruction. In recognition of the proven values of this policy and to properly provide for it, the General Assembly of 1929 enacted legislation establishing an "Industrial Fund for the State Board of Education". Subsequent legislation has expanded the original Act, so that it now reads as follows:

> "The state board of education shall use the industrial fund, established in connection with its administration of vocational education, as a revolving fund in securing personal services, contractual services and such materials and supplies, with such equipment as may be chargeable to the cost of a specific production contract, in the establishment and continuance of such productive work as vocational schools perform in connection with the board's educational program for such schools. Claims against the state in behalf of said board shall be paid by order of the comptroller drawn against said fund. The proceeds of all sales resulting from the productive work of the schools shall be paid into the state treasury and credited to said fund. Within ten months after the close of each fiscal period any balance as of the close of such fiscal period, in excess of one hundred twenty thousand dollars, as shown by the inventory of manufactured articles, material on hand or in process of being manufactured, bills receivable and cash balance, after deduction of obligations, in the industrial fund, shall revert to the general fund."

For budgetary and accounting purposes, this fund is considered a Working Capital Fund, and is designated as the "6.8 Fund", in accordance with the Comptroller's classification as indicated in Standard Practice Instructions, Bulletin No. 1.

SECTION 1

GENERAL POLICIES

I. INTRODUCTORY

A. Purpose

This section is intended to provide a policy framework within which real work experiences as an element of instruction may be organized and maintained to best advantage in the vocational-technical schools.

B. Justification of Real Work Program

Justification of school participation in the field of actual commercial work is that such work is necessary for valid and complete training of the student. If a school program aims to provide, as a part of its offerings, reasonably good training in trade judgment and operative skills, actual work under usual conditions is obviously essential. Where such real work experiences are not provided, vitally needed values are lost or at least greatly diminished. The history of apprenticeship, both ancient and modern, points to a continuing recognition that experiences on real work are imperative if good vocational preparation is to result.

C. Differences in Business and School Objectives

There are, however, important differences between the contractor or industrialist engaged in private business and the vocational-technical school's total education program. These differences need to be fully understood by both administrative and instructional staffs otherwise the objectives may become confused and the program correspondingly abortive. Private business is primarily organized for profit and whatever training may be carried on is more or less secondary or incidental. The vocational-technical school on the other hand is organized for education and vocational training in proper balance. Its primary business, therefore, is the development of human values.

Obviously, then, the producing of commercial jobs is not the primary function of a vocational-technical school and should never become a dominating factor in school outlook or policy. On the other hand, real jobs must be recognized for what they are, important media of training, and not dismissed from mind merely because it can be shown that the school is not expressly engaged in producing articles for sale. In the practical phases of the training there is very evident relationship between the quality of the job and the kind of instruction the student receives.

II. ASPECTS RELATED TO THE PUBLIC INTEREST

A. Schools Not in Competition with Private Industry

An element which usually needs clarification in the public mind is the somewhat natural assumption that the vocational-technical school may be a threat to privately organized business or industry because of the amount of commercial work it may do.

This impression is further magnified if a school, as a general practice, contracts for such work at rates considerably below usual prices. As a rule, however, this feeling grows out of general rather than specific information. An example will perhaps help to clarify the extent in reality of such competition.

In a typical school shop, the total amount of work done during a year amounts to approximately $3,600.00. In the same area served by this school, there are six contractors in the field. Assuming that each contractor secured an equal share of this work, it would amount to $600.00 each. Furthermore, it is well to remember that this same school employs in its department two tradesmen who were trained as instructors, one of whom had previously been in business as a contractor. Both of these men, if released from their present work might well enter the contracting field themselves and thus increase the competition to a much greater extent than that represented by the school's production work needs in this trade. In addition, most of the journeymen employed by these local contractors received their basic training in the trade at the vocational-technical school.

B. Production Work as an Aid to Training Costs

Whether vocational training is provided by private industry and paid for by private funds or carried on under public auspices and paid for by public funds, costs are in both cases evidently necessary. Contractors train apprentices on real work. In doing this, they achieve three general objectives:

1. Provide valid training for the apprentice.

2. Conserve material costs.

3. Promote completion of the job.

It is unlikely that any employer would approve having apprentices trained on exercise work to be scrapped after completion. This would be an expensive and perhaps futile form of apprentice training from the standpoints of materials, time and human values. The vocational-technical school is in much the same position so far as its practical training is concerned. The school needs real work to provide valid instruction and when properly selected and organized such work results in:

1. Value for the student in more effective training in less time.

2. Material cost reduction.

3. Work produced which contributes to the public and general welfare.

In both instances time, materials and human values are conserved, the product resulting from the training has a sale value and overall costs to the public are to that extent reduced.

C. Work Performed for Students and Employees

Another element which has public implication is the extent to which school facilities may be used in producing goods and rendering services for the benefit of its own employees or students. It is apparent that such practice must be controlled so that it will not seriously impair training effectiveness and perhaps endanger public confidence as well.

III. GENERAL PROVISIONS FOR PRODUCTION WORK AUTHORIZATION

All production work as hereinafter described or classified must be properly authorized. Such authorization shall be in accordance with detailed instructions as outlined in Section II of this bulletin or such later revisions of the same as may be established.

Before accepting a production job of more or less detailed character, suitable plans, specifications and details should be on hand, either:

1. Provided by the customer, acceptable to the school.

2. Provided by the school, approved and paid for by the customer.

By following the above practice, job estimating and organization is improved and instruction thereby promoted. When the school develops such plans, the students benefit and the school is also fairly compensated for preparatory engineering essential to completion of the job.

Where a customer agrees to supply materials or fabricated parts for all or any portion of a production job, the conditions of such agreement should be stated on the production order or be included in a signed contract upon which such order is based. Materials when supplied by a customer should meet acceptable standards for the work to be done and be delivered by the customer or his agent to the site or at the school at the time or times as may be required for most effective instruction and progress of the work. The school may supply a customer with information concerning kinds and quantities of materials needed for a prospective job and may be authorized by the customer to procure necessary material to be charged to the customer's account.

IV. CONTRACT IMPLICATIONS AND RESPONSIBILITIES

A. All Production Work on Contract Basis

It should be kept in mind that each production order when accepted, regardless of size or character, constitutes a contract by the state with a customer. A customer may be any person, partnership, corporation or institution. In this connection, it should be noted that school employees or students having work done by the school are, therefore, to be considered as customers in the usual sense of that term.

B. Responsibilities of Directors

Directors are responsible for all production work carried on in the schools under their charge and approval and general supervision of such work shall directly or indirectly include the following on their parts:

1. Approval
    - a. Examination and approval of customer's credit.
    - b. Examination and approval of plans and specifications including licenses and permits.
    - c. Examination and approval of estimates and prices.
    - d. Examination and approval of contract forms and procurement of required signatures.
    - e. Approval of production order authorizing that the work be started.
2. Supervision
    - a. Follow up progress of work by frequent inspections and instructor contact.
    - b. Keep instructors conscious of need for following plans and specifications meticulously and in case of change, secure the owner's approval in writing for such change, using the prescribed form for this purpose.
    - c. See that partial payments, if called for, are promptly made.
    - d. See that instructional objectives and effective teaching methods are employed and good public relations maintained.
    - e. Encourage prompt job completion and require that all production orders be completed in accordance with accounting procedures and forwarded to the Office of Departmental Administration for billing without delay.

C. Responsibilities of Instructors

In like manner, instructors are responsible to the school director for carrying out their responsibilities in accordance with policies and procedures as herein outlined and provided.

V. CLASSIFICATION OF CHARGES AND DISCOUNTS

In order to safeguard values and establish reasonable uniformity, the following provisions and classification of charges shall govern all production work commitments in the vocational-technical schools.

A. Labor Charges

1. Labor Charges for Production Work Covering all Conditions Except as Indicated in Paragraphs A2, 3, and 4.

The price of labor for production work shall be based on the average journeyman rate for the particular trade on a state-wide basis, less a discount of 25%. This discount of 25% is allowed in order to cover special training needs and any conditions of inconvenience to the customers for the additional amount of time required to perform the work. These rates are to be established by the Bureau of Vocational-Technical Schools from information obtained by the schools from the area offices of the Connecticut State Employment Service. (Rate schedule on following page)

2. Labor Charges for Production Work for Vocational-Technical School Students.

No charge will be made to the student for labor on projects in connection with students' personal training. These projects must be in line with the student's needs in his training or trade, and are restricted to the particular trade in which he is enrolled. All other production work for students will carry the same labor charges as those outlined in paragraph A.1. above.

3. Labor Charges in Barbering, Beauty Culture and Dressmaking Shops

Prices for work done in these shops will be in conformance with a uniform price list, based on current area prices, to be established by the school and approved by the Bureau of Vocational-Technical Schools. This price list should be revised, when necessary, to conform with area price changes.

4. Labor Charges for Production Work for Philanthropic Organizations, Civic Groups, Town Boards of Education and Agencies of the State other than the State Department of Education.

Charges for production work for this type of organization shall be made on the same basis as shown in paragraph A.1. above.

PRODUCTION RATES

The rates listed below were established by the Bureau of Vocational-Technical Schools from information obtained by the schools from the area offices of the Connecticut State Employment Service. In computing the labor charge for production work the "Discounted Rate" should be used.

Trade	Gross Rate	Discount	Net Rate	Discounted Rate
Aircraft Mechanic	$ 3.00	$ .75	$ 2.25	$ 2.25
Automobile Body Repair	3.00	.75	2.25	2.25
Automobile Mechanic	3.00	.75	2.25	2.25
Baking		Approved price list*		
Barbering		Approved price list**		
Beauty Culture		Approved price list**		
Carpentry	3.35	.84	2.51	2.50
Drafting-Architectural	3.00	.75	2.25	2.25
Drafting-Machine	3.00	.75	2.25	2.25
Dressmaking & Homemaking-Sewing		Approved price list**		
Electrical	3.35	.84	2.51	2.50
Food Services - Homemaking	3.00	.75	2.25	2.25
Food Trades		Approved price list*		
Foundry	3.00	.75	2.25	2.25
Industrial Electronics	3.35	.84	2.51	2.50
Machine	3.00	.75	2.25	2.25
Masonry	3.35	.84	2.51	2.50
Painting and Decorating	3.00	.75	2.25	2.25
Plumbing and Steamfitting	3.35	.84	2.51	2.50
Printing	3.00	.75	2.25	2.25
Radio and Television	3.35	.84	2.51	2.50
Screw Machine Operation	3.00	.75	2.25	2.25
Sheet Metal	3.35	.84	2.51	2.50
Tool and Diemaking	3.35	.84	2.51	2.50
Watch, Clock, and Instrument Making	3.00	.75	2.25	2.25
Welding	3.35	.84	2.51	2.50

In using the above established rates, the only variable factor is the estimate of time required to do the job on the basis of journeyman hours. This factor should be carefully considered for each job, and calculated on the basis of established estimating practices, procedures, principles, knowledge, experience and good judgment.

On jobs where the labor charge computed as stated above would be less than $1.00, the minimum charge of $1.00 should be made without allowance for the 25% discount.

*Approved price list to be established by the school in accordance with the instructions on Page 19.

**Approved price list to be established by the school in accordance with the instructions on Page 12, Section A.3.

At the discretion of the school director, however, occasional jobs, not exceeding $25.00 labor, may be done on a "no labor charge" basis. Jobs in excess of $25.00 labor on a "no labor charge" basis require the further approval of the State Director of Vocational Education. This exception will permit the school, occasionally, to provide some reasonable aid to community drives or to other like activities.

B. Material Charges for Production Work

When the school furnishes the materials used in production work, charges will be at the school cost plus a 20% mark-up. However, when materials are furnished to students in connection with personal training projects, the charges will be at school cost plus a 10% handling charge.

C. Sales of 6.8 Materials

1. Sales of Stock Materials

Sales of materials from stock, not associated with production jobs, shall be avoided except in minor cases of accommodation or of an emergency character. The school is not, nor should it be, engaged in retail selling. However, any such sales shall carry a 20% mark-up.

2. Sales of Books, Training Supplies and Tools

Sales to students of books, training supplies and tools shall be made at school cost plus a 10% handling charge.

D. Production Work for State Department of Education Units

Estimates for production work for units of the State Department of Education are to be based, and charges made, on school cost of materials only, no labor charges or any other overhead expenses to be included. This covers also work done by a vocational school for its own plant, including that authorized by the Public Works Department financed through a bond fund allotment.

E. Production Work for Stock

In order to conserve or recover the costs of training materials, projects for instructional purposes may at times be authorized by the director as stock orders. Upon completion of the same, and at the discretion of the school director, they may be sold at clearance sales rates. Such projects may not be made expressly for any particular customer. The sale price shall be the best price obtainable in a competitive market.

The above described work would cover such projects as small play houses, chests, hand tools, standardized garments, or similar items, which may be made from time to time purely for instructional needs and purposes. It is obvious that where such work is done its general accumulation may confront the school with the necessity either to scrap the same or sell it at reduced rates. If a fair return can be secured for such items, it represents a saving in material costs to the school.

Great care needs to be exercised in differentiating between stock orders for purely instructional projects and charges as established for work expressly contracted for by a customer.

SECTION II

RECORDING AND ACCOUNTING PROCEDURES

I. GENERAL INSTRUCTIONS

A. Introductory

The preceding section sets forth the over-all philosophy and general policies to be followed in carrying on production work in the vocational-technical schools which apply to all types of production work activities.

This section (Section II) deals specifically with a unified system of recording and accounting which must be followed in preparing estimates, quoting prices, processing and completing production work of any and all kinds in the vocational-technical schools.

This system will require such records to be kept at the schools as are necessary to convey information to the Division of Vocational Education and to the Office of Departmental Administration in the manner as hereinafter described.

The billings to customers and the keeping of accounts receivable will be done by the Office of Departmental Administration where these accounts will be tied in with the budgetary accounts.

B. Controlled Forms

Several of the standard forms used for authorizing, completing and recording production work in the technical schools are pre-numbered and controlled for purposes of public audit. All such pre-numbered forms must be accounted for and if damaged or cancelled must be sent through channels in the regular manner with explanation on all copies as needed.

The school clerk must maintain a record of each pre-numbered form, showing in numerical sequence the pads received from the Central Office Stockroom, and indicating the name of the instructor to whom each pad is issued. She must also keep a running record, in numerical sequence, showing the customer's name for each production order number as it is issued by the instructor.

C. Retention of Records

All production work records, whether controlled or uncontrolled, are state records and by law must be retained by the unit for three completed fiscal years. If the records have not been audited during that period, they must be further retained until the audit has been completed.

D. Responsibilities of the Director in Relation to Production Work Activities

The director of the vocational-technical school shall supervise and direct all production activities of his school as outlined in Section I, General Policies. It shall be the duty of the school director to see that the regulations herein prescribed are adhered to, and he shall also inform the instructors and clerks at the school as to the procedures to be followed and see that they are carried out. He is responsible for dealing with the customers in negotiating and closing contracts for performing work, and in quoting prices based on the cost estimates compiled by instructors. He is also finally responsible for dealing with the customer in all questions pertaining to the requirements and specifications called for by the job. These responsibilities he may discharge either by direct dealings with the customer or by specific delegation of such authority to an indicated instructor.

E. Production Work for, and Sales to, Other State Department of Education Units

Work performed for, or materials sold to, other units of the State Department of Education shall be treated in every respect as orders from outside customers, except that no charge shall be made for labor or for material mark-up. (See General Policies Section)

The unit ordering the work or materials will send a purchase order in the usual manner, except in the case of repairs to state cars not over $25.00 which may be authorized by the driver of the car.

The school doing the work or selling the material will issue its own production order or sales slip in the usual manner. Upon completion of the job or the sale, the production order or the sales slip will be forwarded to the Office of Departmental Administration for processing.

F. Sales Tax Instructions

A sales tax at the prevailing rate will be charged on all production orders and sales slips except for the following:

1. Non-taxable Sales (Not to be included in "Gross Receipts" on Sales Tax Return)

   Construction of buildings (houses, garages, etc.)
   Labor for repairs or installation
   Barber shop sales
   Beauty Culture Sales

2. Tax-exempt Sales (To be included in "Gross Receipts" on Sales Tax Return and subsequently deducted)

   a. No exemption certificate needed

      Children's clothing
      Food products
      Meals served in school under $1.00

Sales to United States Government, State of Connecticut, or any political subdivision or agency thereof, including public schools, police, fire departments, etc.

b. Exemption certificate required

Sales to customers for resale purposes

Sales of materials and tools used and consumed directly in an industrial plant in the process of manufacturing, or directly in agricultural production. NOTE - Machinery and replacement parts are not exempt.

Sales to exempt agencies - charitable and religious organizations including those organized for scientific, educational, literary, historical, or cemetery purposes, if the organization has furnished a valid exemption certificate. NOTE - Church societies are not exempt.

3. Computation of Tax

a. Tax on new items

When a new item is being produced, fabricated, processed, printed or imprinted by a vocational school, the tax is computed on the total amount charged to the customer by the school, regardless of whether the school furnishes labor only, or material and labor.

b. Tax on repairs and installation

No tax is charged on labor for repair work, including repairs to real estate, or for installation of equipment. If the school furnishes materials, however, the tax is computed on the price charged the customer for materials. Also, if a new component part is made to effect these repairs, the tax is charged on the total cost of making the part, including labor and materials.

c. Tax on direct sales of materials

Sales tax shall be added to the selling price when making direct sales of materials.

d. Quotation not to include tax

The sales tax is never included in the price quoted on a job. The quotation should state a given price "plus tax". When the customer is to make payment, or when the order is to be billed, the tax should be computed and added to the total price of the job.

II. JOB ESTIMATES (Form VT 71)

A. Purpose and Form

Instructors are required to prepare in triplicate and to submit "Job Estimate" (Form VT 71) for all jobs totaling $50.00 or more. The school director may, at his discretion, require formal estimates for production jobs of less that $50.00 should he find this desirable or necessary.

The job estimate forms the basis of all quotations and contracts for jobs totaling $50.00 or more. When a quotation based on the job estimate is accepted, a written contract of suitable form as hereinafter described is entered into with the customer. A production order based on the contract is then issued and approved and work on the job may be started. Consequently, it is important that job estimates be prepared with considerable care.

The preparation of job estimates requires a clear understanding of the character and extent of the work to be done. Therefore, they should be based on adequate plans or other suitable work guides which describe the job.

In auto or radio repairing and similar jobs where cost of materials cannot always be accurately determined in advance, estimates may be made for labor on specified operations, the customer to provide all parts or materials needed for the job; or if the school furnishes the materials or parts, the cost of such materials or parts, plus mark-up, will be added to the quoted labor price.

Any change to the specified operations after a production order has been issued should be covered by an "Authorization for Change to Job Specifications" (Form VT 76).

B. Preparation of "Job Estimate" (Form VT 71)

The following procedure should be followed by the instructor in preparing this form:

1. Fill in top of form giving complete data as indicated.

2. Give a concise, clear description of the job. Enter the number or numbers of the sketches or plans on which the job estimate may be based. If sketches or plans do not have identifying numbers, assign numbers to them, writing them on the prints as well as on the job estimate form. If no sketches or plans are available, state what work guides were used in estimating the job.

3. Determine the quantities of different kinds of materials needed to complete the job, making due allowances for such waste materials as may be usual to work processing in the trade represented. Enter on the form under "Description

CONNECTICUT STATE DEPARTMENT OF EDUCATION
Division of Vocational Education

Form VT 7

JOB ESTIMATE

Date ....

School .... School No. .... Shop .... Shop No. ....

Customer's Name .... Tel. No. ....

Address ....

DESCRIPTION OF JOB:

DESCRIPTION OF MATERIALS	QUANTITY	SCHOOL COST PER UNIT	AMOUN
		TOTAL MATERIALS COST	

DESCRIPTION OF LABOR	NUMBE OF HOU
TOTAL HOURS LABOR	

TOTAL MATERIALS COST $............. PLUS MARK-UP ......% TOTAL AMOUNT $....................

TOTAL LABOR .... HOURS, AT .... PER HOUR $...............(DISCOUNT RATE) $....................

TOTAL CHARGE TO CUSTOMER $....................

SIGNED — INSTRUCTOR	DATE	APPROVED — DIRECTOR	DATE

of Materials" a list of the materials needed, the unit cost to the school and the total amount for each item, and total the "Amount" column to arrive at the "Total Materials Cost".

4. Estimate the total number of journeyman hours required to complete each major portion of the project or each major operation, and list this information under the heading "Description of Labor" and total the column to arrive at "Total Hours Labor".

5. Fill in the data required in lower part of the form and complete the total charges for materials and for labor. Total these amounts to determine the "Total Charge to Customer".

6. Complete the job estimate form by entering the date and signature where indicated and promptly forward the first two copies of the form to the school director for his approval and action. The green copy is retained by the instructor for his files. The goldenrod copy, when approved, will be returned to the instructor. The canary copy will be placed on file in the school office.

C. Indirect Costs

No charge should be made on the job estimate form for indirect costs, including transportation charges, as these are absorbed in the total labor charges.

D. Issuance of Production Order

If the total estimate is not over $100.00, the instructor may issue a production order to cover the job upon receiving the goldenrod copy of the approved job estimate form.

If the price is over $100.00, the director shall prepare form VT 72 "Quotation and Contract" to cover the job. In such cases, the instructor will issue a production order after he receives the green copy of the signed "Quotation and Contract" together with the goldenrod copy of the approved job estimate form.

E. Use of Job Estimate (Form VT 71) for Baking and Food Trades Shop

1. Baking Shop

A job estimate form should be on file in the shop for each item sold to show how the selling price was determined. This price should be based on the cost of ingredients plus a 100% mark-up for miscellaneous supplies and labor, the end result being a price to compete with the trade. On recurring items, the job estimate form may be prepared on the basis of a typical batch. In such cases at least annually, and more frequently if necessary, these estimates should be reviewed and corrected to reflect changes in cost prices.

2. Food Trades Shop

A job estimate form should be on file in the shop for each item sold to show how the selling price was determined. This price should be based on the food cost per portion plus the usual 20% mark-up. On recurring items, the job estimate form may be prepared on the basis of a typical batch. In such cases at least annually, and more frequently if necessary, these estimates should be reviewed and corrected to reflect changes in cost prices.

See instructions for "Use of Cafeteria Facilities" for establishing prices for special meals where school facilities are used by an outside agency.

If a price for a particular item remains constant during more than one fiscal year, the job estimate form on which the price was computed must be retained until after the audit of the last year during which the price was in effect.

F. Director's Approval and Action

If the prospective job involves suitable work for several trades taught in the school, the director shall see that the instructors concerned are notified and that the requisite data is available to them for submitting estimates. When all estimates are assembled, the director shall study the same for completeness and accuracy and for conformity to the established policies governing production work. If the estimates are found to be satisfactory, he shall approve the same by signing all copies in the space provided and take the following action:

1. If the job is not over $100.00, he shall return the goldenrod copy of the approved job estimate to the instructor who may then issue a production order to cover the job.
2. If the job is in excess of $100.00, he shall prepare Form VT 72 "Quotation and Contract". When the signed contract has been received from the customer, the green copy of the quotation and contract together with the goldenrod copy of the job estimate form will be returned to the instructor who may then issue a production order.

III. CUSTOMER'S FINANCIAL RESPONSIBILITY

Before entering into a contract with a customer, unless full payment is to be made in advance, the school should have evidence that the customer will be able to meet the payments as stated in the contractual arrangements.

A. Governmental Agencies and Established Business Concerns

Contracts for governmental agencies or for established business concerns with whom the school has transacted previous business may be accepted if authorized either by the customer's signature on a contract form or by a purchase order form signed by an official of the company.

B. Building Operations Contracts

As soon as agreement has been reached with the customer on a building job the school will prepare the Job Estimate forms and obtain from the customer the following material:

1. The names of three local residents as references, unless the Director is well acquainted with the customer.
2. A letter from the customer's employer stating his employment record and average weekly wage, without overtime.
3. A letter from the bank confirming a construction mortgage and stating the terms of the mortgage, unless the customer furnishes other means of financing the job.
4. A copy of the deed to his property, showing the volume number and page number of the town record by which it is recorded.

If, after a careful examination of the above documents, it appears that the customer is a good financial risk, the contract forms may be completed. If there is any doubt as to the customer's reliability, the credit rating service as outlined below should be used.

C. Individuals or Business Concerns Whose Financial Responsibility is Not Known to the School

As customers in this group constitute the greatest collection risk, the customer's financial responsibility must be thoroughly investigated before the contract is signed. Credit rating as provided for below should be obtained for all such jobs in excess of $100.00.

D. Credit Rating

To obtain credit rating for a customer the following procedure should be used:

1. "Application for Credit Rating" (Form VT 70) should be prepared in triplicate and the first two copies submitted to the Office of Departmental Administration.

2. The Office of Departmental Administration will obtain the necessary information from the Hartford Credit Rating Bureau, and on the basis of that information will make a recommendation concerning the extension of credit to the customer.

3. The Office of Departmental Administration will retain the white copy of the application (Form VT 70), and return the canary copy to the school, together with the confidential credit report, and if the customer is a good credit risk, the contract forms may be completed.

4. No charge is made to the school for the credit rating service, as the cost of this service is charged directly to the surplus of the Industrial Fund.

IV. TERMS OF PAYMENT

A. Credit Basis

As a general rule, all production work should be done on a cash basis. To conform to accepted business practices, credit may be extended by the director to the following, if the above conditions have been met:

1. Established business concerns. It is understood that an individual who is in business under his own name and who maintains a good credit rating in the community may be considered as an "established business concern".

2. Governmental agencies

3. State Department of Education employees

B. Cash Basis

Unless credit may be extended as stated above, payment must be on a cash basis as follows:

1. Contract jobs

   a. Payment in full when contract is signed, or

Form VT No. 70

CONNECTICUT STATE DEPARTMENT OF EDUCATION

Division of Vocational Education

APPLICATION FOR CREDIT RATING

REQUESTED BY..DATE..............................
(Name of School)

....
(Name and Address of Customer)

HAS APPLIED FOR CREDIT AS INDICATED BELOW:

DESCRIPTION OF JOB:

TERMS OF PAYMENT:

INFORMATION ON FILE AT SCHOOL IS AS FOLLOWS:

PLEASE OBTAIN WRITTEN-ORAL REPORT FROM THE CREDIT RATING BUREAU.
(Cross off One)

....
(School Director)

FOR USE OF DEPARTMENTAL ADMINSTRATION

THE CREDIT RATING BUREAU REPORTS THE FOLLOWING INFORMATION:

SIGNED: ....
(For Office of Dept. Adm.) Date

b. Partial payments. Provision may be made for partial payments provided that a sizeable deposit is made before the work is started, and that the entire contract is paid before the job is completed.

2. Jobs not on contract

a. Payment in advance, or

b. Cash on delivery (C.O.D.)

V. CONTRACTS

A. Purpose

The purpose of a Contract is to state the terms or basis of an agreement. Unless both parties have a clear understanding of what is to be done and are in agreement concerning the costs involved, it might be argued that no contract exists.

B. Production Order (Form VT 73) Used as a Contract

For jobs not exceeding $100.00 the "Production Order" (Form VT 73) when properly made out and signed by the customer, constitutes a sufficiently satisfactory contract. In cases where an established business concern issues a purchase order a duly authorized customer's purchase order will be acceptable in lieu of the customer's signature on the production order, and the purchase order number will be inserted in the space provided.

C. Quotation and Contract (Form VT 72)

On any job in excess of $100.00, the school office will prepare the "Quotation and Contract" (Form VT 72) in quadruplicate and present it to the customer with supporting plans and specifications for his signature. Only three copies of the plans and specifications are required. In cases where an established business concern issues a purchase order a duly authorized customer's purchase order will be acceptable in lieu of signature on the form, in which case the purchase order number will be inserted on all copies in place of the customer's signature. If the total amount of the contract is $1,000.00 or less, the school director will sign the forms as the representative of the state without further approval before presenting the forms to the customer for signature.

Form VT 72

CONNECTICUT STATE BOARD OF EDUCATION

Divisin of Vocational Education

QUOTATION AND CONTRACT

THIS CONTRACT IS SUBJECT TO THE CONDITIONS STATED ON THE REVERSE SIDE

School .... Address ....

Contract No. .... School No. .... Production Order No. ....

Customer's Name .... Tel. No. ....

Customer's Address ....

In accordance with your request and based on the specifications furnished, we quote the following prices for the work indicated. Your signature on this form indicating acceptance, will make this a contract.

(Show Full Description of Work to be Performed)

Total Quoted Price $....................

Payment of the above amount, subject to any subsequent adjustments or changes authorized and agreed to hereafter, will be on the following terms:

1. Payment in full when contract is signed and accepted . . . . $....................
2. Payment in full within 30 days after completion of job . . . . $....................
   (This applies only to regular "Charge Account" customers)
3. Partial payments as follows:
   - 1st. When this Contract is signed and accepted . . . . $....................
   - 2nd. .... $....................
   - 3rd. .... $....................
   - 4th. .... $....................

Final payment must be made prior to completion of work. Failure to meet payments when due, as above, will result in stoppage of work.

IN WITNESS WHEREOF the parties to these presents have hereunto set their hands and seals to this and one or more other instruments of like tenor and date, this .... day of .... 19..........

Approval of the Secretary is required on contracts in excess of $5,000.

Approval of the Director, Division of Vocational Education is required on contracts in excess of $1,000.

...., Secretary
CONNECTICUT STATE BOARD OF EDUCATION

...., Director
DIVISION OF VOCATIONAL EDUCATION

In presence of: (Witness for each signature)

...., Witness

...., School Director

...., Witness

...., Owner

D. Approval of Contracts in Excess of $1,000.00

1. When the contract form has been prepared on jobs over $1,000.00, before affixing his signature to the form, the school director will submit all four copies to the State Director of Vocational Education for his approval, together with one copy of the plans and specifications covering the work to be performed, the job estimate, and credit bureau rating. If the plans and specifications are necessary to a full understanding of the work covered by the contract, the school should provide a proper place on the plans and specifications for the signature of the parties to the contract. If the contract is in excess of $5,000.00 it will require the further approval of the Secretary of the State Board of Education.

2. If, upon examination of the proposed contract, the State Director of Vocational Education finds it satisfactory, he will place his signature on all copies of the contract, specifications and drawings, obtain the signature of the Secretary of the State Board of Education if such is necessary, and return the signed documents together with the other supporting materials to the school director. If the Director of Vocational Education does not approve a proposed contract, the reason for such disapproval will be stated and sent with the contract form and related materials to the school director for corrective treatment or cancellation as the case may require.

3. Upon receipt of advice from the State Director of Vocational Education, the director of the school shall advise the customer:

   a. that the contract is approved and ready for his signature; or

   b. that the proposed contract will require change; or

   c. that the contract is cancelled.

E. Completion and Distribution of Quotation and Contract Forms (VT 72)

After all copies of the contract, specifications and related plans have been duly signed, the copies will be distributed as follows: the salmon copy of the "Quotation and Contract" with a copy of all supporting material will be given to the customer; the canary copy of the contract form with the signed copy of the supporting material will be filed in the school office; the green copy of the contract form with one copy of the supporting material and the goldenrod copy of the approved job estimate form will be given to the instructor; and the white copy of the "Quotation and Contract" form without supporting material will be forwarded immediately to the Office of Departmental Administration.

F. Partial Payments for Work in Process as Provided by Contracts

The school director is responsible to see that payments on contract jobs are made as specified by the terms of the contract.

VI. PRODUCTION ORDERS (Form VT 73)

A. Purpose

The "Production Order" (Form VT 73) is a work order issued by the instructor, and when approved by the director authorizes the instructor to perform production work for a customer.

B. Preparation of Forms

For purposes of legibility, in making out production orders, all data should be printed rather than written in long hand. Carbons used between copies must be pencil carbon, changed frequently in order to secure clear copies.

The "Description of Work" must be explicit and complete, including the number of items, size, etc., and indicating whether or not the customer is to furnish the materials. The price quoted to the customer for the work described must be arrived at in the following manner:

1. If the job is in excess of $100.00, the price must be in accordance with a "Quotation and Contract" (Form VT 72) properly prepared and signed, based on a "Job Estimate" (Form VT 71) approved by the director.
2. If the job is $50.00 or more, but not in excess of $100.00, the price must be supported by a "Job Estimate" (Form VT 71) approved by the director.
3. If the job is under $50.00, the means of arriving at the price quoted, i.e., estimated number of hours of labor, rate per hour, estimated charge for materials, etc., must be clearly stated in the spaces provided on the production order.

In the case of the Automobile Shop, the Radio Shop, and similar operations, where the charge for materials or parts cannot be determined in advance, the price quoted should be for labor only and should be so stated. If the school is to furnish the parts or materials, the price quoted should read:

"$________labor, plus parts (or plus materials) and tax"

In cases where the job would normally be taxable, but is tax-exempt, the tax exemption certificate number must be indicated.

Form VT 73

HOOL NO. ....
OP NO. ....
TE ISSUED ....
COMPLETE ....
TE COMPLETED ....

CONNECTICUT STATE DEPARTMENT OF EDUCATION
Division of Vocational Education

PRODUCTION ORDER

PO № 13726

Customer's Name ....

Address ....

DESCRIPTION OF WORK (Type or Print)

stimated Labor: Hours @ $ Per Hour (Discounted Rate) $..............

stimated Materials Charge* Plus Mark-up @ 20% $..............

n Auto Mechanic and Radio and Television Shops, this information
ill be filled in after actual costs have been determined.

QUOTED PRICE $..............

he above work is authorized in accordance with the terms as checked:

dvance Payment.............. C. O. D............. 30 days............ Contract............

ustomer's Signature ....

ustomer's Order No. .... Tel. No. ....

CHANGES TO JOB SPECIFICATIONS:
(Form VT 76)

Change No. 1 . . . $..............
Change No. 2 . . . $..............
Change No. 3 . . . $..............

ADJUSTED PRICE $..............
ADD SALES TAX $..............
TOTAL PRICE $..............

SCHOOL COSTS — EXCLUSIVE OF SCHOOL LABOR

Date	Reference No.	Amount	Date	Reference No.	Amount	Date	Reference No.	Amount

TOTAL SCHOOL COSTS $

GNED ....
Instructor

PPROVED ....
Director

(SEE OVER)

RECORD OF PAYMENT

Bill .... Inv. No. ....

Deposit No. ....

....

....

THIS SPACE FOR PAID STAMP

The terms of payment agreed upon should be checked in the applicable space. The "Quotation and Contract" (Form VT 72) or a customer's purchase order signed by the proper authority in a recognized business establishment may serve in lieu of the customer's signature called for on the production order. Unless one of these forms is on file, the customer's signature must be secured. Where the "Quotation and Contract" (Form VT 72) is being used in lieu of the customer's signature, the words "see VT 72 on file" should be inserted in the space provided for the customer's signature.

C. Quarterly Production Orders for Repairs to State Cars for Other State Department of Education Units

Quarterly production orders may be issued at the beginning of each quarter for maintenance repairs to state cars for other units of the State Department of Education to cover miscellaneous repairs during the quarter not to exceed $25.00 for any one job. These production orders may be authorized by the signature of the customer.

Any job in excess of $25.00 must be covered by an individual production order authorized by a state purchase order.

D. Approval

No production work may be started by an instructor until the production order has been approved by the school director, unless the job is $5.00 or less in which case "Sales of Materials" (Form VT 75A) may be used. As soon as the instructor has issued a production order, he will immediately send the first three copies to the school office for approval, together with the goldenrod copy of the job estimate form, if such has been issued. The clerk will list the customer's name in the master list and present all copies of the production order to the director for approval.

E. Distribution of Copies

The form is prepared in quadruplicate. The first three copies will be sent to the director for approval as stated above; the green copy is permanently bound and must remain in the pad, and all pads must be retained until audit. After approval, the white copy will be filed until the completion of the job in the office Open Order File, and the salmon and canary copies of the production order, together with the goldenrod copy of the job estimate form, will be returned to the instructor so that he may proceed with the job. The canary copy will be kept by the instructor in his Work in Process File until the completion of the job. If full payment has been made in advance, the salmon copy will be receipted and given to the customer at the time of signature; otherwise, it will be retained and later receipted and given to the customer at the time of final payment.

F. Work in Process (Open Order) File

The canary copy of each production order will be retained by the instructor in a Work in Process File until the completion of the job. This file provides the instructor with the customer's name, address and telephone number while the job is in process, and keeps him aware of the chronological sequence of the jobs in progress. To insure good customer relations, insofar as possible, orders should be started and carried through in the order in which they are received.

VII. PLANT ORDERS (Form VT 78)

A. Purpose and Form

The "Plant Order" (Form VT 78) has two general purposes; first a commitment of state funds for an expenditure, and secondly, a record of work performed by a school for itself on a production basis.

The plant order is similar in form to the production order except that it is designed to cover and authorize internal work charged to a school's allotment rather than to an outside customer and is issued by the school office and not by the instructor. The plant order must give a complete description of the work to be done, except in the case of the quarterly orders for maintenance repairs. That portion of the form used to list the material and other costs is similar to the production order form except that the materials are listed at cost to the school with no mark-up.

B. Use of Plant Orders

The plant order form is used for the following types of work:

1. Extensive Repairs to State-owned Building or Equipment or the Production of an Article of Equipment

   In these instances an individual plant order must be issued for each specific job, and should clearly describe the work to be done. Plant orders should not be issued for major items of equipment unless such items are included on the approved equipment allotment list.

2. Maintenance Repairs to State-owned Buildings and Equipment

   A plant order should be issued at the beginning of each quarter for each shop by which repairs will be made in an amount sufficient to cover the estimated requirements for the quarter. If additional funds are needed throughout the quarter, the plant order should be increased by use of a purchase order change notification.

V.T. Form 78

OOL NO. ....

RK DONE BY SHOP NO. ....

TE OF ORDER ....

TE COMPLETED ....

CONNECTICUT STATE DEPARTMENT OF EDUCATION
Division of Vocational Education

PLANT ORDER

Name of School ....

PL Nº 1880

FOR SHOP NO. ....

DESCRIPTION OF WORK TO BE DONE — ISSUE SEPARATE PLANT ORDER FOR EACH MAJOR JOB

FOR S.D.E. ONLY				APPROPRIATION AND EXPENDITURE CODING							AMOUNT
YEAR	UNIT NO.	SECT. NO.	LETTER	FUND	AGENCY	SPEC. IDEN.	FUNCT.	ACTIV.	CHAR. & OBJ.		
									MAJOR	MINOR	

MATERIAL AND OTHER COSTS — NOT INCLUDING SCHOOL LABOR

MATERIAL WITHDRAWN FROM STOCK			DIRECT CHARGES FROM PURCHASE ORDERS, SALES SLIPS & P.C. VOUCHERS					
DATE	REF. NO.	AMOUNT	DATE	REF. NO.	AMOUNT	DATE	REF. NO.	AMOUNT
							TOTAL COSTS	

SIGNED — INSTRUCTOR

APPROVED — SCHOOL DIRECTOR — DATE

APPROVED — STATE DIRECTOR — DATE

3. Materials for Automobile Laboratories

Quarterly plant orders may be issued to cover materials used for instructional purposes in the laboratory areas in the automobile shops. This enables the school to purchase the materials on the monthly blanket orders. The plant orders should read "To cover materials used for instructional purposes in the automobile laboratory for the quarter ending on ____________", and should be charged as instructional commodities for the automobile shop.

4. Printing Jobs Done by a School for Its Own Use

All printing done by a school for its own use must be covered by plant orders. The plant orders, however, must not be issued or the work started until approval for the printing has been obtained in accordance with the established procedure.

C. Estimates

All plant orders must be based on job estimates prepared in the usual manner except that no labor charge or material mark-up will be included. Full study of the work to be done is essential and such study frequently requires that plans, specifications or other forms of working drawings be prepared. Plant orders need to be as carefully planned and estimated as a production order since the cost of the plant order must be paid out of the school's own funds.

D. Allotment Charged by Plant Order Form

The plant order form (VT Form 78) provides a space in the middle of the form which is headed "Appropriation and Expenditure Coding". In this space should be placed the appropriate accounting classification as follows:

1. Plant orders for repairs to buildings or equipment

Unit	Sec.	Letter	Fund	Agency	Sp.Id.	Func.	Act.	Maj.	Min.
Fill In	50		0	7001	0	6	10	3	20

2. Plant orders for repairs to school trucks or buses

Unit	Sec.	Letter	Fund	Agency	Sp.Id.	Func.	Act.	Maj.	Min.
Fill In	70		6.8	7001	0	6	14	3	20

3. Plant orders for automobile laboratory materials

Unit Fill	Sec.	Letter	Fund	Agency	Sp.Id.	Func.	Act.	Maj.	Min.
In	13		0	7001	0	6	11	3	15

4. Plant orders for printing jobs for school use

Unit Fill	Sec. Fill	Letter	Fund	Agency	Sp.Id.	Func.	Act.	Maj.	Min.
In	In		0	7001	0	6	11	3	15
or									
Fill In	30	A	0	7001	0	6	9	3	14

As the plant order constitutes an actual commitment of funds against the particular account indicated, purchase order change notifications should be issued to cancel any plant orders not used in order that the funds will be available for other commitments.

E. Approval

All plant orders are subject to the approval of the school director. If in excess of $100.00, the plant order must also be approved by the State Director of Vocational Education, except in the case of quarterly plant orders for maintenance repairs.

All plant orders, regardless of size, must be routed through the Office of Departmental Administration where they will be checked to see that funds are available in the proper allotment before the work is started. The Office of Departmental Administration will be responsible to see that the approval of the State Director of Vocational Education is obtained where required.

F. Distribution of Copies

The form is prepared in quintuplicate. The green copy is permanently bound and must remain in the pad and all pads must be retained until audit. The first four copies will be sent to the Office of Departmental Administration for approval and commitment as above outlined. If and when approved, the white and canary copies will be returned to the school office. The white copy will be filed until the completion of the job in the office Open Order File, and the canary copy will be forwarded promptly to the shop in which the work is to be done, where it will be retained in the instructor's Work in Process File until completion of the job.

VIII. PURCHASES OF MATERIALS FOR PRODUCTION WORK AND RESALE

A. Stock Materials

1. Purpose and Character

One purpose of carrying a stock of materials for production use is to facilitate processing of real jobs, plant orders and other instructional projects without undue delay.

Another reason for the stock materials is to have readily available for sale to students, a reasonable supply of tools, texts or other special items required in their training. This is especially desirable in cases of highly specialized mechanics' tools, trade handbooks, texts and other special supplies which are not generally stocked in local stores or supply houses. The quantities of materials to be stocked, however, must be governed by actual needs of the school in terms of reasonable turn-over. Unusually large quantities of stock should be avoided and slow-moving items sparingly stocked.

2. Purchases of Stock Materials

In making purchases of materials the instructor shall prepare a material purchase requisition and send it to the school office for the purpose of obtaining quotations.

Material purchase requisitions must in all cases give a clear description of the materials to be purchased, and the names and addresses of at least three vendors, and all other information as called for on the form should be fully stated and supplied.

When quotations have been received from vendors, the school office will review the quotations, check with the instructor if there is any question on specifications, and issue the purchase order.

B. Direct Purchases for Jobs

Materials needed for a production or plant order which are of such nature that they would not normally be carried in stock, may be obtained by one of the following methods:

1. Blanket Orders

Under the blanket order procedure approved by the State Supervisor of Purchases, the instructor may obtain daily deliveries from approved vendors within the amount of money authorized for any quarter.

2. Individual Orders for Specific Jobs

Materials needed for a specific job may be purchased in the usual manner by use of a material purchase requisition and charged directly to the production or plant order.

3. Petty Cash Funds

In an emergency petty cash funds may be used to purchase small items not ordinarily carried in stock and needed for specific production jobs. In such cases, the instructor should prepare a material purchase requisition in the usual way except that only one vendor need be specified, and the words "Petty Cash Purchase" should be inserted on the face of the form.

C. Allotment Charged When Purchasing Materials for Production Work or Resale

All purchases of materials for production or plant orders, or stock, either by purchase order or from petty cash funds, must be charged as follows:

Unit Fill	Sec.	Letter	Fund	Agency	Sp.Id.	Func.	Act.	Maj.	Min.
In	*		6.8	7001	0	6	14	3	15

*Shop doing work or selling materials

When buying for a specific job, the number of the production or plant order should be placed in the body of the purchase order.

IX. CHARGES TO PRODUCTION AND PLANT ORDERS

The following methods are used to charge materials to production and plant orders:

A. Materials Purchased Directly for Jobs

These charges will be posted directly from the purchase orders or petty cash vouchers to the production and plant orders in the section marked "Direct Charges from Purchase Orders, Sales Slips and Petty Cash Vouchers". The purchase order number or petty cash voucher number must be shown for each charge. It may be desirable to indicate the vendors' sales slip numbers on blanket order purchases; if so, this information may be listed in addition to the purchase order number. The amounts shown on the purchase orders or vendors' sales slips, less cash discount if allowed, should be listed in the "Amount" column on the production and plant orders.

If the quantities received differ from those shown on the order, the value of the quantities received, less cash discount if allowed, should be computed and the corrected figures used.

B. Sales of Stock Between Shops for Particular Jobs

When materials needed for a particular job are obtained from the stock in another shop, the charge to the production or plant order may be made directly from the sales slip issued by the shop selling the material. The sales slip will be listed on the production or plant order in the section marked "Direct Charges from Purchase Orders, Sale Slips and Petty Cash Vouchers".

C. Material Withdrawn from Stock

In order to withdraw material from stock, Form VT 82, "Stock Requisition" will be issued. Care must be taken to see that the quantity and description of the materials to be withdrawn are accurately stated. The forms must be signed by the instructor, and posted daily to the inventory cards at which time the unit costs will be entered on the VT 82 forms.

When miscellaneous processing materials, such as glue, tape, solder, sandpaper, etc., are used in such small quantities that it would be impossible to determine the cost of each item, a charge should be shown on the stock requisition to read:

> "Glue, tape, etc.," or "Solder, sandpaper, etc.," at a nominal figure based on experience for the particular shop and types of materials involved.

The stock requisitions will be accumulated and kept with each production or plant order until the completion of the job, at which time the instructor will list the stock requisitions on the production or plant order under the heading "Material Withdrawn from Stock".

The canary copy of each VT 82 form will be forwarded with the production or plant order to the school office, at which time the director will approve the forms. The green copy of each form will remain in the pad, and all pads must be retained until audit.

D. Returning Unused Materials to Stock

During the course of, and upon completion of, a production job all unused material must be returned to stock and recorded

Form V.T. 82

CONNECTICUT STATE DEPARTMENT OF EDUCATION
Division of Vocational Education

No. R

STOCK REQUISTION

Date

Production or Plant Order No. ______________________ **Shop No.** ______________

Project ____

DESCRIPTION	QUANTITY	UNIT COST		TOTAL	
MATERIAL WITHDRAWN					
	TOTAL CHARGES				

MATERIAL RETURNED
LIST BELOW MATERIAL RETURNED TO STOCK:

	TOTAL RETURNS				

Signed ______________________
Instructor

Approved ______________________
Director

at the foot of Form VT 82 "Stock Requisiton" in the space headed "Material Returned". Material returned in this manner must be posted to the inventory cards and added to the balances on the cards. Such stock requisitions must be listed on the production and plant orders under the heading "Material Withdrawn from Stock", but identified as "Returns". In this case, the cost will be entered in red in the "Amount" column and deducted from the total charges in arriving at the "Total Job Costs".

E. Donated Materials

When a customer furnishes materials for a job, some of which are unused, the same should be promptly returned to the owner. If, however, a customer wishes to donate such surplus materials to the school, they must not be put with the 6.8 stock, but should be stored with the instructional materials and used for instructional or maintenance purposes.

F. Spoilage of Material on Production Work or Damages to a Customer's Property

In the process of production work, it sometime happens that materials are spoiled or damages occur to a customer's property. Materials used for replacement in such cases, whether drawn from stock or especially purchased, will be charged to the 6.8 Fund and considered as costs of the particular jobs.

Such materials must be listed and identified separately when entering the costs on the production orders, and the production orders must bear a statement of explanation and justification signed by the school director.

X. AUTHORIZATION FOR CHANGES TO JOB SPECIFICATIONS (Form VT 76)

After a price has been quoted to a customer for work to be performed according to agreed specifications, no changes may be made by the school director or instructor without the written authority and consent of the customer. Form VT 76 "Authorization for Change to Job Specifications" must be used even though the change without proven authorization may invalidate the contract.

A. Preparation

Form VT 76 shall be prepared in quadruplicate inserting the information called for on the form. These change forms shall be numbered consecutively for each job. A complete description of the changes to be made should be shown, and any increase or decrease in the cost resulting from a particular change is to be adjusted in the succeeding payments as provided in the terms of payment of the original contract. All copies of the form should be signed by the customer and instructor and approved by the director.

Form VT 76

SHOP NO. ....

DATE ....

CONNECTICUT STATE DEPARTMENT OF EDUCATION

Division of Vocational Education

Authorization for Change to Job Specifications

SCHOOL NO. ....

PRODUCTION ORDER NO. ....

Customer's Name .... Change No. ....

Address ....

Brief Statement of Original Job:

The following changes are authorized in accordance with sketches submitted or changes shown on the original plans, and it is hereby agreed that the original contract is amended herewith:

	LABOR	MATERIALS	TOTAL		
PRICE BEFORE THIS CHANGE				SIGNED — CUSTOMER	DATE
ADDITIONAL CHARGE				SIGNED — INSTRUCTOR	DATE
CREDIT ALLOWANCE				APPROVED — SCHOOL DIRECTOR	DATE
ADJUSTED PRICE				APPROVED — STATE DIRECTOR	DATE

Credit allowances in excess of $50.00, or changes which raise total job costs over $1,000.00, require State Director's approval. Any increase or decrease in the cost resulting from changes is to be adjusted in the succeeding payments as provided in the terms of payment of the original contract.

B. Approval of State Director

The approval of the State Director of Vocational Education is required if an additional charge is to be made which increases the total amount of the order to more than $1,000.00, or if the adjustment consists of a credit to be allowed to the customer in excess of $50.00.

In either of the above cases, all copies of Form VT 76, together with any necessary supporting data, will be promptly forwarded to the State Director of Vocational Education for approval, after which all copies of the material will be returned promptly to the school. If the change is not approved, the State Director shall advise the school director, giving his reasons and/or advice.

C. Distribution of Copies

When the forms have been completed, as stated above, the "Authorization for Change to Job Specifications" becomes a part of the original contract and copies of the form shall be distributed as follows: the salmon copy will be given to the customer; the white copy will be forwarded immediately to the Office of Departmental Administration to be attached to the original contract form; the canary copy will be attached to the original contract form filed in the school office; and the green copy will be forwarded to the instructor.

XI. ADVANCE PAYMENTS

A. Handling of Advance Payments

When advance payments are received either in full or in part as provided for under "TERMS OF PAYMENT", the production order will be presented to the school office together with the cash in the amount being paid by the customer. The school clerk will verify the amount and if it is a full payment, she will stamp all copies of the production order "PAID" and date and sign each copy. The salmon copy of the production order will be given to the customer as a receipt. If the payment is a partial one, the clerk will enter the date and amount of the payment on all copies of the production order and sign the forms to indicate partial receipt. In this case, a standard pre-numbered receipt form will be issued to the customer. The same procedure will be followed on all subsequent payments on a production order, until final payment is made, at which time the salmon copy of the production order will be marked "Paid in Full", signed and presented to the customer.

At the time of deposit, these payments are listed on the deposit slip under the heading "Advance Payments", and the customer's name and address and production order number must be shown. On a production order where partial payments have been made in advance, the final payment must also be listed on the deposit slip under the heading "Advance Payment" in order to complete the transactions for that order.

B. Advance Payment Refunds Due to Cancellation of Production Orders

In the rare instance where a job on which advance payment has been made, or a portion thereof, is cancelled by a customer and a refund must be made, the following procedure will apply:

1. Instructor's Action

The instructor shall prepare an "Authorization for Change to Job Specifications" (Form VT 76) stating the reasons for such cancellation. On this form he will indicate any portions of the work already completed and show the total amount to be charged and the amount to be refunded to the customer. This form (VT 76) when completed must be approved by the school director and signed by the customer in the usual manner, and the customer will be given the salmon copy of the form. The instructor shall then dispose of the remaining copies of Form VT 76 and his production order copies in the following manner:

a. If no work has been done or materials used and no charge is to be made, he will mark his own (green) copy and the canary (office) copy of the production order "Cancelled".

b. If work has been started on the job, the instructor shall complete the production order for both materials and/or labor to the extent or percentage of work done as shown on the "Authorization for Change to Job Specifications".

c. The instructor shall then attach the green copy of Form VT 76 to his own (green) copy of the production order, and turn in to the school office the canary copy of the production order with the canary copy of Form VT 76 attached, together with the white copy of Form VT 76.

2. Clerk's Action

Upon receipt of a cancelled production order on which an advance payment has been made, the clerk will check to see that the transaction has been properly handled as outlined above, present the forms to the director for approval, and then proceed as follows:

a. The canary copy of the production order with the canary copy of Form VT 76 attached will be filed in the school office files.

b. The white copy of Form VT 76 will be attached to the white copy of the production order. The production order will be marked "cancelled" if no work was done, or will be completed in the usual manner for the amount of work performed as shown on Form VT 76. The production order, with Form VT 76 attached, will be forwarded to the Office of Departmental Administration, together with a Requisition for Reservation of Funds charged to the school's 6.8 allotment, Surplus Account.

c. When the reservation of funds form has been returned to the school, the clerk will prepare an invoice payable to the customer on the state standard invoice forms. This invoice must show the customer's name and address, the reason for the refund, the dates and numbers of any deposits made on this order, and the amount due the customer. The invoice will be approved by the school director and forwarded to the Office of Departmental Administration for payment.

XII. CUSTOMER'S DELIVERY RECEIPT AND OWNER'S ACCEPTANCE

Whenever possible, the signature of the customer should be obtained and placed on the canary copy of the production order in the space provided on the form, as evidence that he has received the goods in proper order.

In the case of building operations, the signature of the owner or his agent must always be secured before the work is delivered into the possession of the customer.

XIII. TREATMENT OF THE PRODUCTION ORDER WHEN JOB IS COMPLETED

A. Instructor's Action

When a production job is completed the instructor will make sure that job costs, less any cash discounts applicable.

are entered on the canary copy of the production order. He will enter any adjustments due to change to job specifications and compute the total price to the customer as provided for on the forms, including sales tax, if applicable. If no sales tax is charged, the reason for this must be stated, or a tax exemption certificate number must be entered on the production order, unless it is easily recognized from the nature of the job that it is not subject to tax, such as work done for a town board of education etc.

The instructor will turn in to the school office the canary copy of the production order with the payment received and the canary copies of all stock requisitions applying on the job.

If the production job was handled on a C.O.D. basis, the instructor should receipt and hand to the customer the salmon copy of the production order.

B. Clerk's Action

When the canary copy of the production order is submitted to the school office clerk, she will check it for accuracy and completeness. She will make sure that the job costs reflect any cash discounts applicable, that any adjustments due to changes to job specifications (Form VT 76) have been entered and the resulting increase or decrease to the quoted price shown, and that the sales tax, if applicable, has been added. She will transfer the costs to the white copy of the production order and complete the space headed "Record of Payment", after which the production order with attachments will be presented to the school director for approval. The clerk will then proceed as follows:

1. When the Production Order is to be Billed

The white copy of the production order, with a check mark after the work "Bill" in the space headed "Record of Payment", will be forwarded to the Office of Departmental Administration, and the canary copy, together with attachments, will be filed in a pending file designated as "Production Orders in Process of Billing".

When the blue copy of the invoice is received from the Office of Departmental Administration, showing that the charge has been billed to the customer, it should be attached to the canary copy of the production order and filed in the Completed Production Order File maintained in the school office for the particular department concerned. When payment is received, it should be recorded on the deposit slip under the heading "Accounts Receivable" and show the customer's name and production order number.

2. When Payment has been Included on a Previous Deposit

The white copy of the production order, clearly marked to show that payment has been made, and showing the deposit slip number(s), should be forwarded to the Office of Departmental Administration, and the canary copy with attachments should be placed immediately in the Completed Production Order File.

3. When Full Payment is Recorded on a Deposit Slip Being Submitted with the Production Order

The payment should be recorded on the deposit slip under the heading "Cash Sales", and the white copy of the production order, showing the deposit slip number, should be forwarded with the deposit slip to the Office of Departmental Administration. The canary copy of the production order with attachments should be placed immediately in the Completed Production Order File.

XIV. TREATMENT OF THE PLANT ORDER WHEN JOB IS COMPLETED

A. Instructor's Action

When a plant order is completed the instructor will make sure that the job costs, less any cash discounts applicable, are entered on the canary copy of the plant order and compute the total costs for the job. The canary copy of the plant order, together with the canary copies of all stock requisitions applying on the job, will be turned in to the school office.

B. Clerk's Action

When the canary copy of the plant order is submitted to the school office the clerk will check it for accuracy and completeness. She will make sure that the job costs reflect any cash discounts applicable and transfer the costs to the white copy of the plant order, after which the order and attachments will be presented to the director for approval. After approval, the white copy of the plant order will be submitted to the Office of Departmental Administration for billing, and the canary copy with attachments will be filed in the Completed Plant Order File.

XV. STOCK PRODUCTION ORDERS (VT 73)

When issuing production orders for articles to be made for stock, the same procedure will be followed in the preparation of estimates as for any other production job except that no fixed labor charge or material mark-up will be shown. Judgment, however, needs to be exercised in issuing stock orders to see that readily salable articles are produced; otherwise the 6.8 inventory may become stocked with unsalable goods. The instructor, when issuing such an order, will enter the words, "For Stock" in the space provided in the heading for the customer's name. When the production order has been properly approved, the same procedures will apply as for any other production order in process. Upon completion of the order, the instructor will total material costs and submit the order to the school office where it will be checked and summarized in the usual manner. At this point, the cost of materials only will be indicated; the selling price will be determined when issuing the sales slips to withdraw the finished items from stock.

When the production order has been thus completed, the white copy will be forwarded to the Office of Departmental Administration and the finished goods will then be put in stock and set up on the shop's inventory cards (Form VT 83) at the cost shown on the stock production order.

The clerk will present the canary copies of all completed stock orders to the school director for his attention and he will confer with the instructor or instructors concerned to determine the sales price. At the time of sale, a sales slip (Form VT 75A) will be prepared in the usual manner. The "Cost of Material" used on the sales slip must be taken from the inventory card, even if it has been decided to sell the materials below cost.

XVI. MONTHLY PRODUCTION ORDERS (VT 73)

A. Purpose and Use

The use of this procedure will be confined to the following Shops: Barbering, Beauty Culture, Baking, Food Trades, School Lunch Program, and similar operations for which it is not possible to determine individual job costs.

B. Procedure to be Followed During the Month

1. At the beginning of each month, a production order will be issued for each shop to cover the production activities for the month.

2. Purchase orders for materials needed will be issued in the usual way and charged to the particular shop involved.

3. The instructor will issue daily sales slips (Form VT 75A) for the cash sales made for that day. On these sales slips it is not necessary to indicate the cost of material. The sales for the day may be grouped under each type of job, and the total quantity and the total selling price for each type may be shown.

4. The sales slips for cash sales will be turned in daily to the school office with the cash for deposit.

5. The school clerk will record the receipts in the usual manner and enter them on the deposit slip under the heading "Deferred Income", grouped by shops, and indicating the production order numbers, sales slip numbers and amounts. The white copies of these sales slips will be submitted with the deposit slip.

6. Where credit must be extended, a separate sales slip will be prepared for each sale. The customer's full name and address and a full description of the services furnished must be given, and the signature of the customer or his representative should appear in the body of the form. The white copy of the sales slip will be submitted to the Office of Departmental Administration for billing.

7. When materials stocked or produced in one of the above shops is sold to another shop in the school, a sales slip will be issued, clearly indicating the shop from which and to which the materials are being transferred.

8. Materials withdrawn from stock in these shops for instructional purposes will be written up on Form VT 75 "Material Charged to School Allotment". This will include materials charged to instruction for spoilage, stales, etc.

C. End of Month Action

1. At the end of the month a physical inventory of 6.8 materials on hand in the shop will be taken.

2. Immediately after the close of each month, the production order will be completed in the following manner:

   In the lower portion of the form, under the heading "Job Costs", the COST OF SALES and SALES figures will be computed as follows:

   COST OF SALES

   Inventory at beginning of month. __________

   Add: Purchases (Materials and Continuing Services)* __________
   Salaries (School Lunch Program only) __________
   Total __________

*Include only those received during this month

Deduct: "Material Charged to School
Allotment" (Form VT 75)
Sales to Other Shops
Inventory at end of month

COST OF SALES

SALES

Cash Sales

Sales on Account

(For School Lunch Program Only)
Reimbursements from Federal Funds
School Lunch
Less______% Reduction
Milk Sales

TOTAL SALES

3. The production order will be sent to the Office of Departmental Administration immediately after the close of each month, together with the following attachments to support the figures used:

   a. A list of the materials and continuing services received during the month, showing the purchase order number or requisition for reservation of funds number, the vendor's name, and the amount. NOTE - Materials received during July or August should be included in the September production order.

   b. A list of the Form VT 75 slips issued during the month.

   c. A list of the sales slips representing sales to other shops during the month.

   d. A statement showing the amount of the end-of-the-month inventory (For School Lunch Program, this must be separated by "Food" and "Other").

   e. A list of the sales during the month, separated by "Cash Sales" and "Sales on Account".

FOR SCHOOL LUNCH PROGRAM ONLY (in addition to the above)

f. A list of the salary charges for the month, itemized to show the employee's name, the payroll period, and the amount. (Include all student lunch personnel except the salary of the student lunch manager and payments for unemployment compensation).

g. A schedule distributing the monthly expenditures as required for the monthly federal reports.

h. A set of special invoice forms (CO 17LM) requesting reimbursement from federal funds for school lunch and milk operations.

i. Two copies of Form SLM1A - "Monthly Report fo Federal Aid - School Lunch Program".

XVII. SALES OF MATERIALS (Form VT 75A)

A. Use of Form

This form, usually referred to as a "Sales Slip", is used in the following cases.

1. Sales of materials to students and, in special cases, to customers.
2. Sales of 6.8 materials to other shops within a school.
3. Sales of finished goods from stock.
4. Daily sales of commodities and services in the Foo Trades, Baking, Beauty Culture, and Barbering shops, and the School Lunch Program.
5. Sales of scrap 6.8 inventory materials.
6. Minor production jobs not exceeding $5.00.

The sales slip (Form VT 75A) should not be used f sales of regular school junk, sales of property, or an other General Fund receipts, as these are not transact of the 6.8 fund, and the sales slip form applies only that fund and its activities.

B. Direct Sales of Materials

Direct sales of materials should be confined to actual school and student needs. Retail selling to the general public should be avoided except in special cases, as stated in the General Policies Section. Direct Sales of materials should be reported on "Sales of Materials" (Form VT 75A) as follows:

Form V.T. 75A

CONNECTICUT STATE DEPARTMENT OF EDUCATION
Division of Vocational Education

No. SS

SALES OF MATERIALS

Terms as checked: C.O.D. 30 Days Contract

Sold To **Address**

School No. **Issued By Shop No.** **Date**

DESCRIPTION	QUANTITY	SCHOOL COSTS		AMOUNT OF SALE
		Unit	Total	
DEPOSIT SLIP NO.	TOTALS			
INVOICE NO.	ADD SALES TAX			
	TOTAL SALES			

SIGNED — Instructor

APPROVED — Director

1. Form VT 75A is made out in quadruplicate.

2. The clerk or instructor making the sales will enter the name and address of customer, the school and shop making the sale, and the date, in the spaces provided at the top of the form. In the case of a variety of small sales to a number of students, the word "students" may be inserted in place of the name and address of the customer.

3. A description of the materials sold, the quantity, unit cost, total cost, and amount of sale (school cost plus mark-up) will be entered in the proper columns.

4. The "Total Cost" and "Amount of Sale" columns will be totaled and the sums recorded on the line identified as "Totals".

5. The sales tax, if applicable, will be entered on the line provided and the "Total Sales" shown. If the sales slip is used for a group of sales to individual students, the sales tax may be listed after each entry where tax applies, in which case the total of all tax items will be shown in the space provided at the foot of the form. If no sales tax is charged, the reason for this must be stated on the form, or a tax exemption certificate number must be indicated, unless it is easily recognized from the nature of the sale that it is not subject to tax, such as sales for the Beauty Culture and Barbering Shops, etc.

6. All sales of materials should be on a cash basis, except as noted in paragraphs [illegible], 7 and 8 below. When the forms are completed the total amount of sale will be collected from the customer, [illegible] be retained until audit. When depositing the funds, the school clerk will list these receipts on the deposit slip under the heading "Cash Sales" and the white copy of each sales slip will be attached to the deposit slip. The canary copies of all sales slips will be filed in the school office.

7. If materials are sold to another unit of the State Department of Education, the unit ordering the materials will follow the same purchasing procedures used for purchasing from an outside vendor. The unit making the sale will then issue a sales slip in the same manner as to an outside customer except that such sales will be at cost price as provided in the General Policies Section. Since these sales are not for cash, the word "Invoice" will be plainly marked on the face of the forms along with the purchase order number. The instructor will then transmit the white and canary copies to the school office; the office clerk will forward the white copy to the Office of Departmental Administration for billing, and file the canary copy in the school office files.

8. Occasional sales may be made on a charge basis to concerns who have established credit with the school. These sales will be handled in the same manner as for other units of the State Department of Education, except that they will be subject to a material mark-up as stated in the General Policies Section. The person receiving the goods should be required to sign the sales slip in the body of the form. When payment is received, the amounts should be listed on the deposit slip under the heading "Accounts Receivable" and show the customer's name and the sales slip number.

C. Sales to other Shops Within the School

Occasionally it may be necessary for one shop to purchase 6.8 materials from another shop in order to complete a production or plant order on time or to avoid carrying special materials in stock. This transaction will be treated the same as a direct sale by the shop making the sale, the customer being the shop making the purchase. All such sales will be at cost price of materials to the school, without mark-up.

The shop making the purchase will [illegible] ction in [illegible] he sales [illegible] produc- [illegible] supplies [illegible]

D. Sales of Finished Goods from Stock

Sales of finished goods from stock will be made in the same manner as direct sales of materials except that:

1. These sales may be made to the general public and school personnel as well as to students.

2. The description of the article sold must include the production order number under which the article was originally made.

3. The cost shown on the sales slip must be taken from the inventory card, which may be over or under the selling price as provided in the General Policies Section.

E. Daily Sales to Shops Using Monthly Production Order Procedure

"Sales of Materials" (Form VT 75A) is also used to report sales of materials by the Food Trades and Baking Shops and School Lunch Program, as well as sales of services in the Beauty Culture and Barbering Shops. The procedure in these cases differs from that used in direct sales as follows:

1. A sales slip will be prepared daily for the sales made for that day. The sales may be grouped under each type of items, i.e., donuts, cakes, etc., or job, i.e., permanent waves, shampoos, etc., and the total quantity and total selling price for each type of items may be shown. It is not necessary to indicate the cost of materials for these items as this is done on a monthly basis.

2. The white and canary copies of the sales slips will be turned in to the school office daily with the cash for deposit. (See "Monthly Production Orders") The Salmon copies of these sales slips may be destroyed.

F. Sales of Scrap 6.8 Inventory Materials

"Sales of Materials" (Form VT 75A) should be used for recording sales of 6.8 inventory materials when sold for scrap. This would apply to such items as ends of steel or lumber, or similar materials which were originally purchased for stock.

G. Minor Production Jobs Not Exceeding $5.00

The sales slip (Form VT 75-A) may be used in place of the production order form for reporting minor production jobs not in excess of $5.00. In such cases the sales slip replaces both the production order and the stock requisition form; therefore, the information which would normally appear on each of these forms must be shown on the sales slip.

The sales slip must show the name and address of the customer and give a complete description of the work to be performed. The labor charge should be shown as a separate item, followed by a complete listing of all materials used for the job with the cost and selling price for each item. The sales tax will be added in the usual manner.

The distribution of the copies of the sales slip when used for this purpose will be similar to that outlined under "Direct Sales of Materials".

XVIII. CHARGING FROM 6.8 STOCK TO SCHOOL ALLOTMENT (Form VT 75)

A. Instructor's Action

In order to withdraw materials, books or tools from the 6.8 stock for school use, the instructor will prepare "Material Charged to School Allotment" (Form VT 75) filling in all the information called for on the form with the exception of the spaces at the foot of the form below the signatures. In the space at the top of the form marked "Credit Shop No." will be shown the number of the shop from whose inventory the materials are to be taken. The shop for which the materials are to be used will be shown in the column at the left-hand margin headed "Charge Shop". The first three copies of the form will be forwarded immediately to the school office. The green copy of each form will remain in the pad, and all pads must be retained until audit.

B. Clerk's Action

Upon receipt of the forms from the instructor, the clerk will complete the spaces at the foot of the form in accordance with the information given by the instructor in the column headed "Charge Shop". She will enter the commitment to the school's allotments on the "Allotment Record" (Office Form 31) for the shop or shops involved, and present the forms to the director for signature.

C. Distribution of Forms

The clerk will retain the canary copy of the form for the office files and will forward the white and pink copies to the Office of Departmental Administration

FORM V.T. 75

CONNECTICUT STATE DEPARTMENT OF EDUCATION

Division of Vocational Education

MATERIAL CHARGED TO SCHOOL ALLOTMENT

No. SA

School No. Credit Shop No. Date

Charge Shop	DESCRIPTION	Quantity	Unit Cost	Total Cost

Issued by — Instructor

Approved by — Director

FOR S. D. E. ONLY				APPROPRIATION AND EXPENDITURE CODING							AMOUNT
Year	Unit No.	Sect. No.	Letter	Fund	Agency	Spec. Iden.	Funct.	Activ.	Char. & Obj.		
									Major	Minor	

SECTION III

CONTROL OF 6.8 INVENTORY

I. RESPONSIBILITY FOR CONTROL OF STOCK

The instructor, by authority delegated to him by the school director, is responsible for the control of the 6.8 inventory. He is expected to see that the physical control of the stock is properly maintained and that the necessary forms for withdrawals are correctly issued so that year-end adjustments between the physical count of stock on hand and the inventory records will be kept to a minimum. Spot-checks of fast-moving items should be made periodically throughout the year to test the accuracy of his methods.

II. PHYSICAL CONTROL

All stock materials purchased through the 6.8 Fund must be segregated in such a manner that they will remain separated from instructional materials.

III. PERPETUAL INVENTORY RECORD (Form VT 83) (Alternate Form VT 15)

A. Maintaining of Records

Except in those shops where the monthly production order procedure is used, a perpetual inventory record of 6.8 stock materials must be maintained for each shop on either Form VT 83 or Form VT 15. Form VT 83 is a card record kept in a file drawer, whereas Form VT 15 is a visible type record designed for Post-Index equipment.

A separate card will be set up for each stock item. Where charges are made for miscellaneous materials, however, a card will be set up for each group of materials (not more than four items) handled in this manner; for instance, "Glue, solder, tape, etc.". In these cases, the card will list the physical count of each type of materials on hand at the beginning of the year, the unit cost and the total value, arriving at an over-all total value of all items on the card. The entries throughout the year will be made in money value only.

B. Recording Receipt of Materials

When materials are received for stock, they will be entered on the stock cards, showing the date, reference number, and quantity received, arriving at a new balance (quantity) on hand. The unit cost of the new shipment will be computed, deducting the cash discount if such was allowed on the purchase order, and the new cost will be entered on the card. If materials are on hand from a previous purchase at a different unit cost than the new purchase, the unit cost must

2

COMMODITY OR ARTICLE	DEPARTMENT	MAXIMUM	MINIMUM	UNIT OF MEASURE

SPECIFICATIONS OR DESCRIPTION

VENDORS			
1		4	
2		5	
3		6	

DATE	REFERENCE NUMBER	UNIT COST	RECEIVED	DISBURSED	BALANCE	DATE	REFERENCE NUMBER	UNIT COST	RECEIVED	DISBURSED	BALANCE

Form VT 13

Form VT 83

Connecticut State Department of Education

6.8 STOCK RECORD

Inventory Checked

Date	By

SCHOOL .... **SHOP** .... **MATERIAL** ....

VENDORS .... **SPECIFICATIONS** ....

Date	Reference Number	Unit Cost	Received	Disbursed	Balance	Date	Reference Number	Unit Cost	Received	Disbursed	Balance

be changed to an "average" cost; for example:

on hand	50 lbs. steel	@ .15	$ 7.50
purchased	125 lbs. steel	@ .18	22.50
new total on hand - 175 lbs.		for	$30.00
new unit cost ($30.00 divided by 175 lbs.)			= .17 per lb.

C. Recording Withdrawals

All withdrawals of stock must be posted daily from the stock requisitions (Form VT 82), showing the date, the reference number, and quantity withdrawn, arriving at the remaining balance on hand.

IV. PHYSICAL INVENTORIES

As of June 30 of each year, a physical inventory must be taken of all 6.8 materials on hand in each shop. This inventory must represent the actual physical count of the items in stock. THE CARD RECORD MAY NOT BE USED FOR THIS PURPOSE.

After the physical inventory has been prepared, each card should be adjusted to the physical count in the following manner: A line will be drawn after the last entry on the card and beneath this ruling an entry will be made identified by the words "physical inventory". This entry will show the date of the inventory and in the balance column will be written the quantity of material on hand as determined by the physical count. This then becomes the beginning balance for the new fiscal year. On the cards for the "miscellaneous" items, the physical count for each of the items included on the card must be listed and the total value of all items determined and entered on the card.

V. DISPOSAL OF OVER-STOCKED OR OBSOLETE MATERIALS

Every care must be exercised in ordering stock materials to make sure that at all times the quantities on hand represent normal requirements which will move from the shelves promptly. In rare instances, because of unforeseen circumstances, materials may become overstocked or obsolete.

The instructor should periodically review his stock and if he finds that he has excessive quantities on hand or materials which have become obsolete he should report this situation immediately to the director who will send a list of the materials, together with a Purchase Requisition marked "Request for Sale", to the Surplus Property Officer in the State Purchasing Division requesting approval for disposal of the materials. Upon receipt of the approved "Request for Sale" a sales slip will be issued in the usual way. The inventory value of the materials sold must be shown as "School Cost" on the Sales Slip regardless of the sales price.

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